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Report Highlights:

This guide serves as a resource for U.S. companies seeking to do business in Thailand, and provides practical tips and information on local business practices, consumer preferences and trends, food standards and regulations, import and inspection procedures. This guide also identifies opportunities and entry approaches for the three major market sectors (food retail, food service, and food processing). Finally, this guide identifies the best high-value product prospects and key contacts.

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Section I. Market Overview

The Kingdom of Thailand is popularly known by the Thai food and agricultural industry as the “Kitchen to the World.” Thailand is the Southeast Asia’s second largest economy and has experienced strong annual economic growth in recent years. Although the September 2006 coup threatened to disrupt foreign investment, the Thai economy continues to remain healthy. This year the Thai economy is projected to expand 4.5 percent driven by increased exports. Private consumption in 2006 rose by 3.1 percent, which was slightly lower marginal growth than the 4.3 percent seen in the previous year. The slower growth was due to higher oil prices and higher inflation and interest rates, which resulted in more cautious consumer spending. However, it is estimated that the Thai economy is likely to pick up in 2008-2009 with a growth rate of 5-6 percent, boosted up by domestic demand, with increased state and private investment.

U.S.-Thailand Trade of Consumer Oriented Agricultural Products					
(m; US\$ per year)	2002	2003	2004	2005	2006
Imports from Thailand	373	450	498	543	633
Exports to Thailand	82	84	114	136	160
Trade Balance	-291	-366	-384	-407	-473
Source: USDA Foreign Agricultural Service - Bangkok, Thailand					

Overall economic stability is expected to remain favorable. The unemployment rate declined from 2.4 percent in 2002 to 1.5 percent in 2006. During 2006, Thai Baht moved in the range of 35.78 to 39.58 Baht per U.S. Dollar, and the average rate for 2006 was 37.88 Baht per US dollar. The September 19 military coup left minimal economic impact.

Change in Thai Food Import Mix from the U.S.					
(m; US\$ per year; % of total)	2002	2003	2004	2005	2006
Bulk & Intermediate	528	600	571	539	543
%	83%	83%	78%	76%	74%
Consumer Oriented	82	84	114	136	160
%	13%	11%	15%	19%	22%
Edible Fishery	29	41	49	37	32
%	4%	6%	7%	5%	4%
Total	639	725	734	712	735
Source: USDA Foreign Agricultural Service - Bangkok, Thailand					

Thailand is currently the 18th largest export market for U.S. agricultural products including fish and forestry products. In 2006, Thailand imported \$160 million in consumer oriented foods from the U.S., up 18 percent over 2005’s \$136 million. Corresponding U.S. imports from Thailand were \$633 million, up 17 percent. Total exports of U.S. foods (including bulk and intermediate, consumer oriented, and edible fishery) to Thailand have shown tremendous growth over the past five years. For example, exports to Thailand jumped from \$639 million in 2002 to \$735 in 2006. The fastest growing segments are consumer oriented agricultural products (14 percent), edible fish and seafood products (2 percent), and bulk and intermediate products (1 percent). The mix of products exported to Thailand from the U.S. has remained stable; bulk and intermediate account

for 74 percent followed by consumer-oriented products with 22 percent and edible fishery products with 4 percent in 2006.

High duties on agriculture and food products are a major hurdle for exports of high-value U.S. food products. Duties on imported consumer-ready food products range between 30 percent and 60 percent. Tariffs on meats, fresh fruits and vegetables, and processed foods are equally high, even for items with little domestic production. Frozen french fries, for example, are not produced in Thailand, but face a high tariff of 30 percent (WTO bound rate for 2006). When import duties, excise taxes, and other surcharges are calculated, imported wines face a total tax of nearly 360 percent. The tariff on apples stood at 10 percent, while pears and cherries saw a tariff as high as 30 percent and 40 percent (2006 WTO bound rate) respectively. The Free Trade Agreement between Thailand and the U.S., which began in mid 2004 was suspended shortly before the coup and expect to be resumed sometime after a democratic government is in place.

Thailand offers many opportunities for alert U.S. exporters. Some examples include:

- Thailand, covering 198,114 square miles, is situated in the heart of Southeast Asia and is considered as the gateway to Southeast Asia. Thailand borders with Laos in the north and northeast, the Union of Myanmar in the north and west, the Andaman Sea in the west, Cambodia and the Gulf of Thailand in the east, and Malaysia in the south. With a population of 65 million, Theravada Buddhism is the national religion and is actively practiced by about 95 percent of Thais, with the remainder practicing Islam, Christianity, Hinduism and other faiths. About 51 million Thais are aged over 15 years.
- The size of the work force now exceeds 36 millions, of which 54 percent are male and 46 percent are female.
- The minimum wage in Thailand is roughly \$5.58 per day in Bangkok, and between \$4.18-5.44 per day in other provinces.
- A literate population due to increased overseas studies, international travel, access to Internet and cable TV.
- Over 49 percent of Thai population aged above 6 years old favored snacks. Over 40 percent of children aged between 6-14 years old ate snacks everyday.
- About 10 percent of the total population lives in Bangkok, which accounts for 90 percent of the sales of fast moving consumer goods.
- Most of medium and high-income people live in the major cities, including Bangkok, Phuket, Chiang Mai, Prachuapkhirikhan, Chonburi, Hat Yai, Nong Khai, Nakorn Ratchasima, Samui Island, Surat Thani, Ubon Ratchatahni and Udon Thani.
- Baht stability and appreciation in 2006 led to an increase in imported consumer-oriented food products from the U.S.
- Thais living in urban areas have become relatively brand conscious and their shopping styles have moved away from the traditional open-air wet markets to modern supermarkets and shopping centers which offer them convenience and a wide selection of products.
- The expansion of retail business, particularly, hypermarkets, supermarkets, modern shopping malls, convenient stores, department stores, etc.
- The demand for imported processed food and raw materials used for re-processing and re-exporting has increased as they are considered better quality than local products.

- Due to the increasing number of women and young adult labor in the work force, the introduction of ready-to-eat and prepared food items is expected to trigger major growth in the convenience food market in Thailand. Moreover, this younger population is very receptive to new food tastes that fit their lifestyles.
- The Tourism Authority of Thailand has set a target to develop Thailand as a tourism hub of Asia. In 2006, tourist arrivals are estimated at 13.5 million, a rise of 20 percent and the revenue generated will be \$11 billion, an increase of about 30 percent. The target for tourist arrivals in 2007 has been set at 14.7 million. Tourism revenue is expected to reach \$13 billion, representing an increase of 15 percent.
- The hotel occupancy rate in Thailand for 2006: Bangkok-68 percent, Chiang Mai-48 percent, Kanchanaburi-43 percent, Krabi-52 percent, Hua Hin-59 percent, Nakhon Ratchasima-49 percent, Nongkhai-39 percent, Pattaya-62 percent, Phuket-61 percent, and Ubonratchathani-39 percent
- High growth in the number of hotels, resorts and other tourist accommodations leads to an increase in the number of imported food items to support more tourists.
- Upper and middle-income groups in Thailand like to spend money on food, especially during the holidays. Consumption of imported food products peak during New Year, Christmas, Chinese New Year and Thai New Year as gifts of food are given, especially consumer products such as coffee, tea, milk, snack food, jelly, jam, crackers, nuts, fruit juice, wine, beer, whisky, health food and fresh fruit.
- Continuous increases in the number of health-conscious consumers lead to higher demand for health and functional food and drinks.
- Thai consumers view U.S.-origin foods and beverages as high quality and consistent products, for instance: U.S. beef, French Fries, dried and fresh fruit, nuts, fruit juice, jams, and other products are always rated by local consumers as the best in the world. However, this perspective does not apply to all U.S. products, as some local consumers still think of France first when they think of wine.
- Even though Thai consumers view U.S. products as high quality, they are very price conscious and susceptible to economic swings. There is a high possibility that the low and middle-income group will shift to cheaper products of acceptable quality during an economic recession.

Clearly, the Thai market offers many opportunities for U.S. exporters, but it is not without challenges. To put these opportunities in perspective, some U.S. “Advantages” and “Challenges” are shown in the table below:

Advantages	Challenges
<ul style="list-style-type: none"> • Varieties of superior U.S. high quality agricultural products from fresh to processed food • High opportunities exist for U.S. products targeting niche markets 	<ul style="list-style-type: none"> • U.S. exporters have spotty or incomplete knowledge about the Thai market and at the same time face severe competition from China, Australia, New Zealand, Japan and neighboring countries.
<ul style="list-style-type: none"> • GDP for 2007 is projected in the range of 4.0-4.5 percent • Increase in Thai consumers’ preference for higher 	<ul style="list-style-type: none"> • U.S. products are not always price-competitive compared to imports from other Asian countries due to high tariffs, shipping costs and the long distance to Thailand

quality products	<ul style="list-style-type: none"> Bilateral free trade agreement between Thailand and other countries, particularly China, Australia, New Zealand and India, induces the import of more low-price products from these trade partners
<ul style="list-style-type: none"> Local Thai consumers view US-origin products as high quality and safe and are confident in U.S. foods and beverages consistency 	<ul style="list-style-type: none"> Local manufacturers can improve or change quality of products, tastes or packaging sizes according to changes in consumer behavior and can lower production cost
<ul style="list-style-type: none"> Proliferation of retail industry. New retail outlets are expanding which allow consumers in any part of Thailand to get access to new imported products 	<ul style="list-style-type: none"> Lack of importer and retailer knowledge and training in purchasing and handling of U.S. food products Strong local brands which are either foreign or Thai origins in many food and beverage products e.g. Nestle, Singha Beer, Chang Beer, Frito-Lay, etc.
<ul style="list-style-type: none"> Eating style of Thai people is changing to include more imported food items 	<ul style="list-style-type: none"> Lack of continuous promotion of U.S. varieties in Thai market. Exporters need to support market promotion campaigns to attract and then build new markets
<ul style="list-style-type: none"> The international food service industry is expanding rapidly, both in numbers of companies entering the market and in numbers of outlets. Most major international fast food companies are represented in Thailand, including McDonalds, Burger King, KFC, A&W, Pizza Hut, Auntie-Anne's, Baskin Robbins, Swensen's, Delifrance, Starbucks, Subway etc. The rapid growth of the fast food sector is stimulating many related businesses such as bakery products, dairy products, meat and poultry etc. 	<ul style="list-style-type: none"> Local production is increasingly substituting traditional food imports. Snack foods, salad dressings, sauces, jams and other processed foods that are relatively inexpensive, but have high freight costs, are increasingly produced locally.
<ul style="list-style-type: none"> Increase in niche markets with higher incomes and high premium product preferences 	<ul style="list-style-type: none"> Market penetration for imported products is concentrated in Bangkok and major tourist-destination provinces mostly
<ul style="list-style-type: none"> The tourism industry is ratcheting up demand for HRI products, especially U.S. beef, turkey, seafood, wine and seasonings which can be used in American, French, Japanese and other international style restaurants 	<ul style="list-style-type: none"> American style food products mass produced locally cost less
<ul style="list-style-type: none"> Reliable supply of U.S. agricultural products and advanced U.S. food processing technology 	<ul style="list-style-type: none"> Thai government's policy and actions try to increase demands for Thai local products Food safety concerns
<ul style="list-style-type: none"> Government's policy to support the development of value-added production, this will boost the demand of food ingredients, especially new ingredients 	<ul style="list-style-type: none"> Some food ingredients can be produced locally
<ul style="list-style-type: none"> Good relationships with foreign suppliers 	<ul style="list-style-type: none"> High import tariffs on high value consumer food and beverage products, especially U.S. meat products, wine, whiskies, cherries, peaches, plums, pears, French fries, etc.
<ul style="list-style-type: none"> Thai importers prefer to deal with quality and reliable U.S. suppliers who are able to supply 	<ul style="list-style-type: none"> Lack of trader and consumer awareness of U.S. products, while marketing costs to increase

products at competitive prices	consumer awareness are high
<ul style="list-style-type: none"> Thailand's beneficial geographical location is viewed as a gateway to the larger Indochina and other Asian markets 	<ul style="list-style-type: none"> Due to the high import tariffs on U.S. products, most Thai importers have shifted to import products from other Asian countries, especially Australia, China, Malaysia, and Singapore
<ul style="list-style-type: none"> Increasing Thai exports of food products drive demand for food ingredients. Increasing demand for using imported ingredients for innovative products. Growing number of companies paying attention to quality over cost for food ingredients. 	<ul style="list-style-type: none"> US products, especially soya based products, are experiencing some issues with GMO content. There is no problem with food products destined for local consumption, but there are issues for export products to countries such as EU and Japan.

Section II. Exporter Business Tips

The following are a number of thoughts, collected from a variety of sources, on exporting food products to Thailand. Some are obvious, but warrant repeating, while some you may never have considered. They are organized under three topics: communicating, meeting, and exporting. We hope these suggestions will prove useful in your efforts to build food exports to Thailand.

Communicating

- When greeting a Thai, use the word Khun (pronounced coon) in place of "Mr." or "Mrs." and the person's first name, which is listed first on his or her business card. For example, a Westerner with the name "Peter Moore" would be called "Khun Peter". Among Thais, family names are not usually used. Most Thais refer to each other by their first names only. Never refer to yourself with the word Khun; simply say your first name. Thais will probably address you by using "Mr." or "Mrs." and your first name.
- Introductions: foreign companies may write directly to Thai companies, although personal introductions will always enhance a firm's credibility and acceptance.
- Most Thais greet someone by bowing slightly towards them while bringing the hands pressed together in a praying position between the chest and forehead. The exact location of the hand depends on the level of respect being offered — the height and depth of a person's bow indicates social status. This gesture, known as a "wai", can be used when greeting someone on arrival and departure, and also when saying, "I am sorry" or "thank you." There is no need to wai taxi drivers, secretaries, clerks, and other support or service people.
- It would behoove foreign businesses to hire a representative or agent with local connections, especially if they intend to buy from or sell to Thailand. Assess any local representative or partner's political relationship, as the government is still very much involved in the private sector. Networking with government officials and/or correct authorities can be the key to doing business successfully, especially if your firm intends to do a major project. Although a local representative is often the best choice, monitor your representative closely and require measurable performance.
- Keep in mind that in most of Asia that dates are shown in day/month/year format, ex. 05/12/06 means December 5, 2006. To avoid confusion, you may want to use the full date in correspondence.
- Have some fun and try to learn a few words of the local language, especially social greetings. This shows to all your interest in the country.

Meetings

- Avoid business visits during the New Year Festivals (both the Chinese and Thai ones).
- Heavy traffic is the most common excuse for tardiness.
- Business cards are always exchanged at the first meeting. It is important to carry a sufficient quantity; failure to offer a business card may make Thais suspicious of your position and authority. Be sure your card indicates your position and responsibility. And be sure to have your personal information in Thai on the back of the card. Don't throw or slide your card.
- Begin initial meetings with casual conversation on such topics as your travels, the beauties of Thailand, possibly questions about your counterpart's overseas experiences.
- Avoid topics relating to politics, the royal family, and religion. A little praise of the country and the Thai people goes a long way.
- Never touch or point with your feet. It is consider rude to cross your legs and point your feet at someone. Thais place a great importance on appearance and politeness.

Exporting

- It is essential to visit the market to conduct market research, especially for product testing, price comparisons, and for reviewing export statistics of the last 3-5 years.
- Localize your products: adjusting the product for local tastes, verifying consumers' preferences and setting your products' price to be very competitive.
- U.S. exporters should locate the best distribution channel (e.g. local importers, distributors, supermarkets, retailers, etc.) and establish a good relationship with them, as they are very useful in facilitating and promoting exports of U.S. consumer-ready foods to Thailand.
- Trade fair participation is another way to raise awareness of your product.
- In Thailand, some large manufacturers and retailers import raw materials or products directly while medium, small manufacturers, retailers, as well as hotels, prefer to purchase products from local importers. But there are exceptions to this rule.
- Successful U.S. exporters must provide reliable product availability, consistently supplying a quality product, technical support, information support, and accurately responding to inquiries within 24 hours as Australia and New Zealand are just a phone call away in a similar time zone.
- Understand that there is likely only one decision-maker in a company, and that person often is not the purchasing manager.
- Product Registration: Applications for product registration should be submitted to the Food Control Division, FDA. The approximate amount of time required for product registration, starting from submitting the application, is about one month. However, delays are usually caused by inaccurate or unacceptable details in the documents. There is little chance for licensing a product unless the manufacturer or exporter provides the necessary details required by the FDA.
- The product should be packed and shipped for a tropical climate and have clear storage instructions. This is especially important, as few cold storage or air-conditioned facilities and delivery trucks exist.
- When introducing new products, several factors should be kept in mind. Thai consumers from middle to upper income groups have an aversion to low quality products and are

attracted to branded products. They also tend to be image conscious. Existing brand loyalties are most likely to be broken by new products that are of good quality, well packaged, distributed, promoted and competitively priced, rather than cheap products.

- Be patient and think long term. It is not unusual to visit the market 2-3 times before details are finalized.
- Study the most recent Food and Agriculture Import Regulations and Standards (FAIRS) Report for Thailand. This concise document - covering food laws, labeling requirements, food additive regulations, pesticide and other contaminants, import procedure and other key regulations, requirements and specific standards-should be required reading for all exporters and is available on the internet at <http://www.fas.usda.gov/>
- Contact the Foreign Agricultural Service in the U.S. Embassy, Bangkok (agbangkok@fas.usda.gov) with any questions on issues such as standards, tariffs, regulations, labeling, or other concerns.

Section III. Market Sector Structure & Trends

According to Euromonitor, one notable trend among consumers is the large proportion of expenditures on retail food compared to food service sector. The retail market accounts for more than 70 percent of total food spending, while consumers are allocating a lower proportion of their expenditures to food service (30 percent). This reflects a tendency among Thais to cook at home rather than dine out, particularly among residents living in rural areas. This coincides with a preference among consumers for traditional cooking methods and authentic styles of cuisine. An increase in eating out and patronizing restaurants is prominent among the younger generation, as well as working professionals, as it is more convenient and efficient than cooking at home. Some people rarely cook at home, as they can buy foods, which are cheaper, more acceptable to the family and more varied than they could make themselves. Furthermore, the increasing number of food establishments in the market also resulted in a considerable increase in food service.

Tourism is Thailand's second-biggest source of foreign currency revenue after exports, accounting for 6 percent of GDP. In 2005, tourists in Bangkok, Chiangmai and Nakhon Ratchasima spent about 20-30 percent on shopping activities – the largest share. In general, low cost products, unique Thai traditional products, and in particular different retail concepts ranging from department stores to large-scale flea markets attract tourists. Accommodation expenditure constituted a significant 25 percent share for other major tourist expenses. In 2007, the tourism situation in Thailand is expected to improve due to increasing foreign tourists, especially from Europe.

Tourism Spending								
(m; US\$ per year; % of total)	Bangkok	%	Chiangmai	%	Pattaya	%	Krabi	%
Accommodation	1,892	21%	231	22%	467	33%	144	28%
Food and Beverage	1,397	16%	165	16%	276	20%	93	18%
Excursion	468	5%	78	7%	91	6%	70	13%
Travel within country	922	10%	93	9%	107	8%	44	8%
Shopping	1,975	22%	313	30%	224	16%	91	17%
Entertainment	2,034	23%	121	11%	194	14%	56	11%
Other expenses	199	2%	50	5%	46	3%	24	5%
Total	8,886	100%	1,050	100%	1,406	100%	523	100%

Source: USDA Foreign Agricultural Service - Bangkok, Thailand

Tourism Spending								
(m; US\$ per year; % of total)	Phuket	%	Nakhon Ratchasima	%	Karnchanaburi	%	Hua Hin	%
Accommodation	517	25%	42	20%	41	19%	68	30%
Food and Beverage	357	17%	47	23%	49	23%	50	22%
Excursion	169	8%	11	5%	14	7%	12	5%
Travel within country	262	13%	26	13%	32	15%	22	10%
Shopping	365	18%	47	23%	39	18%	42	19%
Entertainment	279	14%	23	11%	29	13%	24	11%
Other expenses	99	5%	10	5%	10	5%	7	3%
Total	2,048	100%	206	100%	214	100%	224	100%

Source: USDA Foreign Agricultural Service - Bangkok, Thailand

Retail Sector

Thailand's retail trade sector is a vital component of the Thai economy accounting for a 15 percent share of GDP. Thailand's retail sector experienced a rapid increase in new investments from both local and foreign players since 2003 despite economic uncertainty. Driven by its hypermarkets and convenience stores, Thailand is the second most dynamic retail market in Asia after China. According to AC Nielsen, Thai retail sales should increase 8 percent while convenience store sales should increase 10 percent. Half of all urban shoppers visit a convenience store weekly, with an average number of visits about 2-3 times per week.

Multinational retailers have dominated Thailand's modern food retail market with aggressive store expansion in 2000-2002, especially in the hypermarket segment. The majority of these investments have come from the leading international retail chains: UK-based Tesco with its Tesco Lotus stores, Big C Supercenter of Casino Guichard-Perrachon SA of France, Carrefour of France, and Netherlands-based Makro. About 90 percent of urban Thai shoppers use hypermarkets at least once a month. The average Thai consumer spent is about \$150 per month on retail products, of which 49 percent has been spent on fresh food. These larger firms represent excellent opportunities for U.S. exporters of consumer food items. Intense competition in the retail market, particularly from these large-scale modern trades who use price strategies and loan extensions to low-income consumers, led to the closure of many traditional stores. As a result, the retail market structure continues to evolve, with modern retailers such as hypermarkets,

supermarkets and convenience stores gaining market share while traditional retailers gradually lose their position.

Since the beginning of 2003, hypermarket expansion in Bangkok is experiencing decelerating growth, given the fewer new hypermarket construction projects underway. This is due to the difficulty in locating new business opportunities/areas for further store expansion. It is projected that retail business competition in the future will be more in the form of innovative channels to meet consumer demand; branches to cover more areas, and searching for newer and better products to offer to customers. In addition, the flow of local shoppers has been diverted from department stores, wet markets and grocery stores to hypermarkets and supermarkets. Therefore, supermarkets and hypermarkets are the best method of entry for U.S. exporters to enter Thailand's retail food market and offer a variety of quality products at competitive prices to satisfy Thai customers' desires.

Large convenience store chains like CP's 7-Eleven are recommended for selected foodstuffs. They are trying to increase the number of food items to be 90 percent of total products, up from 70 percent, or 1,700 items at present. It is estimated that by the end of 2007, the number of 7-Eleven stores in Thailand will reach 4,300 and target 7,000 outlets in the next seven years. The main factors U.S. exporters should consider for U.S. food products are pricing, shelf life of the product, and customer preferences. The traditional 'Mom and Pop' stores and wet markets in Thailand are not ideal entry points for U.S. exporters as price sensitivity and preferences for traditional diets by the end consumers in this sector are not a good match. U.S. exporters should be aware that many U.S. branded food products such as snack foods, candy, chocolate and breakfast cereals are present in the market as locally or regionally produced food products. The ASEAN Free Trade Area (AFTA) is one of the major factors contributing to shift in manufacturing bases.

Most of the supermarkets and hypermarkets in Thailand have their own house brands for ready-to-eat foods, ready-to-cook prepared foods, home-made bakery items, sausages, water, cooking oil, rice, sauces, dairy products and fruit juice. Thai consumers are moving toward these house brand items for some particular products due to their cheaper prices, especially food items when they cannot differentiate the products' value - especially items such as sugar, fish sauce, bottled water, etc. There is high opportunity for the private label products to grow in this market since the market share of private label products is only 1 percent compared to its 18 percent growth rate. Almost hypermarket and supermarkets also provide space for fast food outlets, kiosks, a laundry, a florist, bookstores, a photographic store, movie rental stores and restaurants. They also have their own distribution centers to ensure product freshness and operation efficiency.

Entry Strategy – Supermarkets, Hypermarkets and Cash and Carry

The best method for U.S. exporters to sell to supermarkets, hypermarkets or cash and carry is to directly contact supermarkets, discount stores, hypermarkets, and cash and carry, which import direct, and to contact importers and distributors. U.S. exporters should be aware that many multinational retailers in Thailand charge listing fees or a listing allowance for new products. The fee will be charged in accordance with a formula based on the number of retail outlets and SKU (stock keeping unit).

Distribution Channels - Supermarkets, Hypermarkets and Cash and Carry

The distribution channel to supermarkets, cash and carry, and hypermarkets in Thailand normally begins with importers and goes to distributors, then to a central warehouse or direct to retail outlets. The foodstuffs will be kept either in the importers' warehouse, distributors' warehouse, or a central warehouse before delivery. Some supermarkets, superstores and hypermarkets operated by multinational operators import food products directly and keep them at their own distribution centers before delivery to each outlet.

Entry Strategy - Convenience Stores, Gas Marts & Kiosks

The best method for U.S. exporters to enter this Thai market segment is to contact the head office of convenience stores, gas marts and kiosks. U.S. exporters should be aware of the listing fee or listing allowance that may be charged by large convenience store chains. The fee will be charged in accordance with a formula based on the number of outlets and SKU.

U.S. branded foods sold in these C-stores are generally produced in Thailand or in neighboring Southeast Asian countries. These products include snack foods, chocolates, cookies, candies, gums and breakfast cereal. Distributors often import U.S. branded foods from neighboring countries rather than from the United States because of the low cost and AFTA preferential tariffs. Trends in the sales of imported food for C-stores versus locally produced will decrease gradually from five to zero percent, in line with the purchasing power of the target group. U.S. products will be well received by Thai consumers in C-stores if price and quality is similar to what local suppliers offer.

Distribution Channels - Convenience Stores, Gas Marts & Kiosks

A common distribution channel for convenience stores, gas marts and kiosks originates from U.S. exporters to U.S. consolidators and traders to Thai distributors to C-stores, gas marts and kiosk distribution centers. Some Thai distributors distribute foodstuffs directly to C-stores, gas marts and kiosk outlets. Most of the foodstuffs that are distributed directly to the outlets are fresh, including baked goods and dairy products. The flow pattern of different retailers varies depending on the sales volume and number of outlets. A key ingredient in the success of the larger retailers is control of their own distribution centers.

Entry Strategy - Traditional Markets

For U.S. exporters, Thai traditional wet markets are more difficult markets to enter considering the expected purchase price of products, low consumer purchasing power, the size and traditional distribution channels of the outlets, and consumer preference for traditional Thai and Chinese food.

Distribution Channels - Traditional Markets

Usually local manufacturers will have their own distributors to distribute their products. Some local producers are under supervision of a Royal Project in which assigned distributors manage the distribution.

Best Market Prospects

The best market prospects for U.S. suppliers include breakfast cereal, frozen seafood (scallop, lobster, fish, mussel), fruit juices, instant and ground coffee, jam, nuts (walnuts, hazel nuts, macadamia nuts), canned soup and fruits, candy, chocolate, chocolate milk mix, dairy products (cheese, cheese spread, cream cheese, whipped cream, cheese sticks, cheese dip and ice-cream), dips, fresh fruits (cherries, grapes, peach, plums, nectarine, berries, grapefruit, apples), frozen pizza, frozen peas, pie fillings, frozen processed turkey, dried fruits, red meat, American spices, seasonings and sauces, snack foods, syrup, vinegar, wine, spirits and pet food.

The best selling U.S. food products are U.S. beef, U.S. Turkey, fresh fruits (cherries, grapes, and WA apples), frozen French fries, scallops, snack foods, breakfast cereal, wine, dried fruits, and pet foods. Products that are not currently present in the market in significant quantities but have good sales potential are American bourbon and whisky, seafood including Alaska King crab legs, halibuts and other fishes, fruit juices, biscuits, candy, peaches, pears, plums, nectarines, chocolate milk mix, cheese, dip sauce, other cooking products.

Further Information

Further information on this area is available in A Market Brief on Thailand's Retail Food Sector Report, which can be obtained from the FAS homepage at <http://www.fas.usda.gov>

HRI Food Service Sector

Thailand's large HRI food service sector comprises approximately 150,000 outlets including some 100,000 restaurants and more than 5,000 hotels and resorts. Hotels, resorts, restaurants and institutional contracts are the heavy users of imported food for food preparation and ready-to-eat meals at restaurants, catering services for airlines and cruise lines. This is because this sector attracts middle to higher income Thais, Thai corporate businessmen, resident expatriates, and tourists. Hotel and restaurant has grown by 3.6 percent, softened from 6.1 percent in the first quarter of 2007 due to tourism slowdown. In addition, the number of foreign tourists decelerated from 5.8 percent expansion in the first quarter to 0.4 percent increase in the second quarter. Thailand tourism is an important component of the service sector that generated approximately 471 billion Baht (\$12 billion) revenue in 2006. This industry is one of the key factors, which fueled Thailand's quick economic recovery. For the entire year of 2006, the international tourist arrivals to Thailand totaled 13.8 million, up by 20 percent and the average hotel occupancy rate was at 63 percent, up from 60.6 percent in previous year.

Tourism Indicators						
	2005 Year	2006 Year	2006			
			Q1	Q2	Q3	Q4
No. of foreign tourists (Mil.)	11.5	13.8	3.6	3.1	3.4	3.7
% change (from the same period last year)	-1.1	20.0	35.5	24.1	11.8	12.0
Income from tourism (Bil.USD)	9.6	12.4	3.4	2.7	3.0	3.4
Occupancy rate (%)	60.6	63.0	69.8	57.7	61.2	63.4
Room rates (USD)	32	36	40	33	33	38
Source: Tourism Authority of Thailand and Bank of Thailand						

Food and beverage sales of hotels and resorts account for about 30 percent of total revenues. The average rate of imported food versus locally produced food in the entire HRI sector is 30 percent; the U.S. has approximately 15-20 percent of the imported product share. U.S. beef, seafood (lobster, Alaska king crab legs, scallops, etc.), wines, potato, seasonings, etc are well known in the hotel/restaurant trade, and with airline catering companies. Thai Airways International uses 30-40 percent imported food in their in-flight catering service.

Independantly owned restaurants have been largely replaced by chains of restaurants such as Oishi, Fuji, Zen, S&P, Black Canyon, MK Suki, Grayhound, etc. Sidewalk restaurants have been continually replaced by food centers and food courts, which are more hygienic and more convenient. Food centers and food courts can be seen in most department stores and office buildings. Fast food and chain restaurants have boomed for the last few years and are expected to continue to do so for the next few years. Hot and cold drinks including coffee and ready-to-eat foods are served in convenience stores and stand alone outlets.

Retail Consumer Expenditure on Alcoholic Drinks 2000-2006						
(m; US\$)	2001	2002	2003	2004	2005	2006
Total	2,964	3,184	3,511	3,807	4,135	4,671

Source: Euromonitor

The consumption of alcohol beverages continued to rise even though the government has tried to launch many campaigns against drinking, which include limitations placed on the sale times of alcohol. In 2006, the average spending on alcohol per household was \$80 per year and account for 1.8 percent of their total household expense.

Entry Strategy

Direct contact with local food service importers is the best entry for U.S. exporters. Normally hotels and resorts do not import food directly. It is easier for hotels and resorts to order from food service companies because they have specialized in providing high quality U.S. products to the five-star hotel and restaurant industry. Restaurants such as fast food chains or family style restaurants, also order and purchase imported food from food service companies or from their affiliate companies who act as their distributors. Five star hotels and resorts are highly recommended for U.S. exporters. International food restaurants located in prime areas of Bangkok, Phuket, Hua Hin, Krabi, Chiang Mai, Samui Island and Pattaya are secondary recommendations for U.S. exporters. Direct contact with Thai Airways International's catering department is also recommended.

Best Market Prospects

Best market prospects for U.S. suppliers include U.S. beef, turkeys, seafood such as U.S. fish (halibut, king salmon, cod), Alaska king crab, scallop, mussels, and oysters; spices, seasonings and sauces; baking products, canned foods (soup, fruit and vegetables), dairy products (cheese, cheese spread, cream cheese, whipped cream, sour cream, cheese dip, ice-cream, dips), fresh fruits and vegetables (radish, celery, carrots, apples, grapes, cherries, avocados, blueberries, grapefruit, oranges), frozen berries, pie fillings, frozen peas, fruit juice (apple, prune, orange, grape, sparkling white grape), jam and jelly, nuts (walnuts, hazel nuts, macadamia nuts), dried

fruits, pickles, ready-to-mix pancakes, cookies, muffins and cake, syrup, vinegar, wine and whisky.

Food Processing Sector

Thailand has become one of the leading food producers in the world and is the largest food exporter among all Southeast Asian countries. There are over 10,000 food-processing companies in Thailand, the majority (80 percent) of which are small sized establishments and cottage industries. Currently, Thailand is among the top food-exporting countries in the world. Reflecting Thailand's state of economic development, the average household spending on food & beverages is in-between that of the Philippines (around 40 percent) and Singapore (around 13 percent). The total value of spending on food & beverages will rise by an average of more than 7 percent a year, from an estimated \$26 billion in 2004 to \$38 billion in 2009.

The country is a leading supplier of a wide variety of commodities and/or products including rice, rubber, cassava, sugar, seafood, poultry meat, frozen, ready-to-eat foods, and fresh hand processed fruits and vegetables. Thailand's food processing sector is heavily export-oriented with more than 50 percent of production sold outside the country. Approximately 67 percent of exports are processed seafood products. Thai food processors import large quantities of food ingredients for the food processing industry, which are not available locally.

Although domestic ingredients hold the greatest share of the market, these items tend to be low-value, high-volume raw and semi-processed products such as grains, vegetable oils, and starches. Higher value and more technology-based ingredients are generally not available locally and must be imported. The food ingredient market is growing continuously due to increases in population and in purchasing power; increases in the number of dual income families; and new product development.

Followings are some general characteristics of the Thai food processing industry:

- Thailand's food processing industry has been developing at a rapid pace throughout the past decade despite suffering a slight setback during the 1997-1998 crisis. The Thai processed food sector is one of the most developed in South East Asia. Its main products are frozen shrimp, sugar, poultry, canned tuna, confectionery and snacks, canned pineapple and tapioca.
- The Thai market for raw materials is growing. Thai companies primarily supply raw inputs to the food-processing sector. Nevertheless, the import market for these ingredients has been growing continuously. The growth in demand for raw materials is due to the increased localized production of processed products that are in high demand and are expensive to ship long distances;
- Many Thai retail stores are modernizing and increasing their capacity in the refrigerated and frozen foods sections. In addition, modern logistics and technology are being introduced by multinational retail chains to the market;
- Major retail chains purchase directly from processed food producers;
- Increased local production of some traditionally imported foods. Snack food, salad dressings, sauces, jams and other processed foods that are relatively inexpensive but have high freight costs will be increasingly produced locally;

- An increase in the use of imported ingredients for innovative products;
- A move toward higher quality ingredients. There are some companies moving towards using better quality ingredients instead of ingredients chosen on the sole basis of cost;
- High investment in capital equipment, improvements in food technology, more stringent sanitary requirements, marketing innovations, and Thai exports of finished food products all have contributed to the increasing demand for food ingredients. Major food exporters have expanded their production capacity through new machinery purchases or upgrades to meet demand for a variety of products in the major markets and to satisfy international quality standards including HACCP and ISO;
- There is a rising awareness of the benefits of healthy foods. In light thereof, natural ingredients are playing an increasingly important role. Nonetheless, some food processors still prefer synthetic chemicals due to the limitations of natural ingredients, e.g. shelf life, consistency, quality of taste, color etc.

Fish and seafood, dried fruits, soybean, milk products, cereals, fat and oils, starches and derivatives, fresh fruit and vegetable products, and coloring were the leading volume imported food ingredients in Thailand. The larger food processors tend to be the ones more export-oriented with their major markets being Japan, the U.S. and the EU. Accordingly, Thailand must produce products that meet international standards.

Thailand's processed food exports have been increasing continuously, due to a number of factors: the government's efforts to improve the quality of local industries' output to export quality; the processed food sector's efforts to raise quality and sanitation standards; and the introduction of new, ready-to-cook products, mainly for the Japanese and EU markets. Domestic processed food consumption continues to grow, following the increase in Thailand's population, accompanied by a higher proportion of processed food and beverages consumed as income and lifestyles change.

Although domestic ingredients hold the largest share of the market, at the moment, these items tend to be low value, high volume, raw and semi-processed products such as grains, vegetable oils, and starches. Higher value and further processed products are generally not available locally and must be imported. All this expected expansion in the food processing industry should provide many export opportunities for U.S. exporters of food ingredients in the medium- and long- term as this market segment continues to expand.

The Thai food and beverage manufacturing industry has a broader base than many of their competitors in Southeast Asia. Most of the major Thai food processing companies are also involved in exporting their products to overseas markets. Several trends are influencing the type and quality of inputs used in processed foods:

- Thailand's open trading environment has stimulated the extensive use of imported ingredients by the local food processing industry. This has enabled the industry to experiment and introduce a wide range of new processed products to the market, e.g. prepared frozen foods, processed meats, and new age beverages;
- Thai people have an increased awareness about their health and nutrition. Macrobiotic foods, vegetarian foods, and health foods have become popular in recent years. Although the scope of the healthy foods business is smaller and less advanced compared to Western

countries, Thai consumers are steadily becoming more health-conscious and demanding more flavor-intensive convenient health foods;

- Changes in the retail sector have driven changes in the processing sector. The trend in the retail sector is away from small grocery stores and towards supermarkets and hypermarkets. Currently there are approximately over 700 branches of supermarkets and hypermarkets in Thailand. Consumer expectations have also changed significantly. Faced with an increasingly diverse range of products, quality and price, consumers have become more demanding. In response to increasing consumer expectations, large food retailers, especially international companies, are demanding that Thai food manufacturers meet higher quality standards;
- The rapid change in consumption patterns has led Thai food processors to begin investing in ready-to-eat meals and frozen food products;
- The snack foods industry is also benefiting from the trend toward Western foods and more entertainment and tourist centers throughout the country. The increasing popularity of mini-marts and convenience stores are the driving force in the snack foods market. There are over 15 large manufacturers of snack foods in Thailand and a large number of small firms supply snacks to the local market. Several of the larger manufacturers are increasing exports to other Asian countries, Europe and the U.S.;
- The snack market is becoming increasingly competitive. Therefore, snack manufacturers have to differentiate their products by introducing innovative flavorings, especially for potato chips and rice crackers. In addition, consumers are increasing their rate of snack consumption, trying new snack tastes and varieties.
- Thailand's seafood processing sector is the fourth largest in Asia after Japan, China, and India. More than 90 percent of its output is bound for export markets, so continual improvements in production quality are being made to maintain and expand demand. Canned and frozen products account for 80 percent of the output. The leading products are canned tuna, frozen prawns, squid, and assorted fish.

Entry Strategy

The most effective way for U.S. food ingredients exporters to enter the Thai market is either appoint a reputable and experienced local importer/distributor or contact directly to the food manufacturers. Local firms usually have a good understanding of the market and know how to make direct contact with food manufacturers, government officials and other key contacts. A good local importer/distributor can also provide valuable support in arranging meetings with the manufacturers especially their R&D and manufacturing divisions, translating technical information, and help arrange other marketing and sales activities. Trade shows are also highly effective ways to promote new food ingredient products. Food Ingredients Asia, which will be held in Thailand again in 2008, is usually well attended by Thai and neighboring country food companies.

U.S. market development cooperators are also active in Thailand and other Southeast Asia countries. These groups offer many marketing opportunities for U.S. firms, including trade team visits, technical seminars, local promotional events, and other activities. Cooperators with active programs in Thailand and other regional countries include the U.S. Grains Council, U.S. Meat Export Federation, U.S. Poultry & Egg Export Council, U.S. Dry Pea and Lentil Council, U.S. Dairy Export Council, California Raisin Administrative Committee, U.S. Wheat Association,

American Soybean Association, U.S. Potato Board, various U.S. fruit and nut associations, as well as several state and regional groups such as WUSATA, EUSAFEC, SUSTA, and Food Export Association of the Midwest USA.

Best Market Prospects

The best market prospects for food processing include dried fruit and nuts, wheat, maize, dehydrated potatoes, soybeans, food chemicals and additives, flavorings, starch, meat, whey, skim milk powder, juice concentrates and other baking ingredients.

Distribution System

Food processing generally is distributed through two main channels. The first is via traditional importers, who re-sell to local distributors or distribute through their own marketing and delivery network to end-users. As Thailand's food processing industry has grown and become more sophisticated over the past decade or more, food manufacturers are increasingly importing directly from foreign supplies. This is especially true for large, integrated food processors, which export many of their products and are well oriented to international trade.

Further Information

Further information on this area is available in A Market Brief on Thailand's Food Processing Sector Report, which can be obtained from the FAS homepage at <http://www.fas.usda.gov>

Section IV. Tariff

	PRODUCT	HARMONIZED CODE	QUOTA	TARIFF RATE (for USA)			PRODUCT	HARMONIZED CODE	QUOTA	TARIFF RATE (for USA)	
				(%)	Volume					(%)	Volume
1	BEEF (Fresh and Frozen)*	0201		50		24	POPCORN	190490		30	
		0202				25	SAUSAGES	1601		30	
2	BEEF OFFALS*	020610		30		26	SUGAR CONFECTIONERY	170410		30	
3	PORK MEAT	020329		30				170490			
4	MEAT OF SHEEP/LAMB	0204		30		27	CHOCOLATE & FOOD PREP. WITH COCOA	1806		10	
5	TURKEY	020724-020727		30		28	MILKFOOD FOR INFANTS	190110		30	
6	SALMON,TUNAS,COD,SARDINES MACKEREL AND OTHER FISH	0303		5		29	BREAKFAST CEREAL	190410		20	
7	CRABS	030614		5		30	FROZEN FRIES	200410		30	Bt.25.00/kg
8	SCALLOPS	030721		5		31	JAMS, FRUIT JELLIES	2007		30	Bt.25.00/kg
		030729				32	PEANUTS	200811		30	Bt.25.00/kg
9	SKIMMED MILK	0402	X	5 (in-quota) 216 (out-quota)		33	ALMOND (ROSTED)	200819		30	Bt.25.00/kg
10	CHEESE & CURD	0406		30		34	CANNED PEACH	200870		30	Bt.25.00/kg
11	DRIED PEAS, BEANS, LENTILS	0713		5		35	FRUIT & VEG JUICE	2009		30	Bt.10/l.
12	ALMONDS, FRESH/DRIED IN SHELL & SHELLED	080211		10	Bt.8.50/kg	36	INSTANT COFFEE	210111	X	40 (in-quota) 49 (out-quota)	
		080212				37	INSTANT TEA	210120		30	
13	PISTACHIOS, FRESH/DRIED	080250		10	Bt.8.50/kg	38	TOMATO KETCHUP	210320		30	
14	ORANGE	080520		40	Bt.33.50/kg	39	MUSTARD	210330		30	
15	GRAPEFRUIT, FRESH/DRIED	080540		40	Bt.33.50/kg	40	OTHER SAUCES & PREP	210390		5	
16	GRAPES, FRESH	080610		30	Bt.25.00/kg	41	SOUPS & BROTHS & PREPARATION	210410		20	
17	RAISINS	080620		30	Bt.25.00/kg	42		210420			
18	APPLE (FRESH)	080810		10	Bt.3.00/kg	43	BEER	2203		60	
19	PEARS & QUINCES	080820		30	Bt.15.00/kg	44	CHAMPAGNE	220410		54	
20	CHERRIES (FRESH)	080920		40	Bt.33.50/kg	45	WINE	220421		54	
21	PEACHES, INCL NECTARINES	080930		40	Bt.33.50/kg			220429			
22	PLUMS AND SLOES	080940		40	Bt.33.50/kg	46	WHISKIES	220830		60	
23	COFFEE	0901	X	30 (in-quota) 90 (out-quota)		47	DOG&CAT FOOD	230910		9	

Remark: *Inspection fee by Livestock Department is equal to Baht5/kg. for beef and Baht20/kg. for offals

Section V. Key Contacts & Further Information

A) U.S. Department of Agriculture, Foreign Agricultural Service

The Foreign Agricultural Service in Bangkok maintains up-to-date information covering food and agricultural import opportunities in Thailand and would be pleased to assist in facilitating U.S. exports and entry to the Thai market. Questions or comments regarding this report should be directed to following:

Local:

Office of Agricultural Affairs
U.S. Embassy
120-122 Wireless Road
Bangkok 10330 Thailand
Tel: 662-205-5106
Fax: 662-255-2907
E-mail: agbangkok@usda.gov
Website: www.fas.usda.gov

U.S. Mail:

Office of Agricultural Affairs
U.S. Embassy, Box 41
APO AP 96546

Key Contact(s):

Gary W. Meyer, Agricultural Counselor
Corey Pickelsimer, Agricultural Attaché

B) Cooperators

Contact any of the many U.S. non-profit organizations, representing U.S. agricultural products and exporters and do market development activities to promote the various U.S. commodities and

high value products in Thailand and other Asian markets. Please note: some of these organizations are located in Thailand and others in neighboring countries such as Singapore have regional responsibilities.

American Soybean Association
Thailand Representative
59/43 Baan Klangmuang
Ladprao 71 Road
Bangkok 10230
Tel. 662-539-5373, 539-5332
Fax 662-539-5256
E-mail: asathai@loxinfo.co.th

California Pistachio Commission
California Table Grape Commission
California Tree Fruit Agreement
48 Toh Guan Road East
#02-129 Enterprise Hub
Singapore 608586
Tel: 65 6515 6113
Fax: 65 6278 4372
E-mail: Richelieu@lieumktg.com.sg

Cotton Council International (Thailand)
2 Soi Farm Wattana,
Phrakanong, Klongtoey,
Bangkok, 10110 Thailand
Tel: 662-253-8604
Fax: 662-381-1437
Email: kraipob@pangsapa.com

Northwest Cherry Board
208 Ram-Inthra Soi 19, Ram-Inthra Road
Bankhen, Anusao-waree
Bangkok 10220, Thailand
Tel. 662-521-2170
Fax. 662-970-8208
E-mail: pt@waapples.com

Pear Bureau Northwest
48 Toh Guan Road East
#02-129 Enterprise Hub
Singapore 608586
Tel: 65 6515 6113
Fax: 65 6278 4372
E-mail: Richelieu@lieumktg.com.sg

Raisin Administrative Committee
48 Toh Guan Road East
#02-129 Enterprise Hub
Singapore 608586
Tel: 65 6515 6113
Fax: 65 6278 4372
E-mail: Richelieu@lieumktg.com.sg

U.S. Dairy Export Council
Southeast Asian Representative Office
Pacrim Associates Limited
11/14 Soi Ruam Rudee
Wireless Road
Bangkok 10330
Tel. 662-689-6311
Fax 662-689-6314
E-mail: usdec@pacrimassociates.com

U.S. Dry Pea & Lentil Council
AgriSource Co.,Ltd.
No. 416, 4 th Fl., Ambassador's Court
76/1 Soi Langsuan
Ploenchit Road
Bangkok 10330
Tel. 662-251-8655/6, 251-8669, 251-8772
Fax 662-251-0390
E-mail: agsource@loxinfo.co.th

U.S. Meat Export Federation
#15-03 Liat Towers
541 Orchard Road
Singapore 238881
Tel: 656-733-4255-6
Fax: 656-732-1977
E-mail: singapore@usmef.com.sg

USA Poultry & Egg Export Council
#15-04 Liat Towers
541, Orchard Road
Singapore 238881
Tel: 656-737-1726
Fax: 656-737-1727
E-mail: usapeec_sing@pacific.net.sg

U.S. Wheat Associates
#15-02 Liat Towers
541 Orchard Road
Singapore 238881
Tel: 656-737-4311
Fax: 656-733-9359
E-mail: msamson@uswheat.org

United States Potato Board
2 Soi Farm Wattana,
Phrakanong, Klongtoey,
Bangkok, 10110 Thailand
Tel: 662-253-8604
Fax: 662-381-1437
Email: kraipob@pangsapa.com

Washington Apple Commission
208 Ram-Inthra Soi 19, Ram-Inthra Road
Bankhen, Anusao-waree
Bangkok 10220, Thailand
Tel. 662-521-2170
Fax. 662-970-8208
E-mail: pt@waapples.com

Wine Institute of California
48 Toh Guan Road East
#02-129 Enterprise Hub
Singapore 608586
Tel: 65 6515 6113
Fax: 65 6278 4372
E-mail: Richelieu@lieumktg.com.sg

C) American Chamber of Commerce in Thailand

The American Chamber of Commerce in Thailand serves as point of contact and exchange for members of the American business community, it also serves as a valuable resource of information and interaction for members. The Chamber has an active Food & Agribusiness Committee, which represents the interests of Chamber member firms on issues concerning food, agriculture, and agribusiness. The Committee also aims to promote dialogue on these issues between the American food and agricultural community and Thai decision-makers in the public and private sectors.

7th FL., GPF Witthayu (Old Diethelm Building)
Tower A 93/1 Wireless Road,
Lumpini, Pathumwan,
Bangkok 10330
Tel: 662-254-1041
Fax: 662-251-1605
E-mail: info@amchamthailand.com

Key Contact(s):
Judy Benn, Executive Director

D) Thai Government

These are the major regulatory government agencies that deal with food and agricultural products.

Food & Drug Administration, Ministry of Public Health

Import License, Product Registration & Label Approval

Food Control Division
Tivanont Road, Muang
Nonthaburi 11000
Tel: 662-590-7178
Fax: 662-591-8460
E-mail : food@fda.moph.go.th

Food Products from Animals

Tivanont Road, Muang
Nonthaburi 11000
Tel: 662-590-7207/8
E-mail: food@fda.moph.go.th

Food Products from Plants

Tivanont Road, Muang
Nonthaburi 11000
Tel: 662-590-7023
E-mail: food@fda.moph.go.th

Food for Special Purposes and Food Supplement

Tivanont Road, Muang
Nonthaburi 11000
Tel: 662-590-7205, 590-7098
E-mail: food@fda.moph.go.th

Food Inspection

Inspection Division
Tivanont Road, Muang
Nonthaburi 11000
Tel. 662-590-7323
Fax 662-591-8477
E-mail: food@fda.moph.go.th

Department of Medical Sciences, Ministry of Public Health**Food Analysis**

Food Analysis Division
Department of Medical Sciences
Soi Bumratnaradul Hospital
Muang, Nonthaburi 11000
Tel: 662-951-0000 Ext. 9561
Fax: 662-951-1023

Department of Foreign Trade, Ministry of Commerce**Import Control**

Commodity Trade Division
Sanam Bin Nam-Nonthaburi Road
Nonthaburi 11000
Tel: 662-547-4737
E-mail: cdtdft@moc.go.th

Chemicals and Food Additives

Tivanont Road, Muang
Nonthaburi 11000
Tel: 662-590-7209, 590-7219
E-mail: food@fda.moph.go.th

Other Food Products

Tivanont Road, Muang
Nonthaburi 11000
Tel: 662-590-7220
E-mail: food@fda.moph.go.th

Grain Division

Sanam Bin Nam-Nonthaburi Road
Nonthaburi 11000
Tel. 662-547-4820

Commodity Division

Sanam Bin Nam-Nonthaburi Road
Nonthaburi 11000
Tel: 662-547-4801

Department of Livestock, Ministry of Agriculture and Cooperatives

Animal Quarantine Inspection Services
Phyathai Road

Bangkok Seaport Animal Quarantine Station

Bangkok 10400
Tel. 662-653-4444 Ext. 4110
Fax 662-653-4865
E-mail: dcontrol8@dld.go.th

Klong Toey Port
Bangkok 10110
Tel. 662-249-2112
Fax 662-249-4358

Bangkok Airport Animal Quarantine Station

Suvarnabhumi Airport
Bangkok
Tel: 662-134-0731-2
Fax: 662-134-0733

Department of Fisheries, Ministry of Agriculture & Cooperatives**Marine Animals**

Chief of Fisheries Administration &
Management Section
Fisheries Resources Conservation Division
Kasetsart University, Chatuchak
Bangkok 10900
Tel: 662-562-0600/15 Ext 3509
Fax: 662-562-0528
E-mail: fishtradeins@dof.thaigov.net

Department of Agriculture, Ministry of Agriculture and Cooperatives**Plant Quarantine Subdivision**

Agricultural Regulatory Division
Chatuchak, Bangkok 10900
Tel: 662-940-6573, 940-6670 Ext. 108
Fax: 662-579-4129
E-mail: ard@doa.go.th

Excise Department, Ministry of Finance**License of Alcoholic Beverages**

License Subdivision
Bureau of Tax Administration 1
Excise Department
1488 Nakhon Chaisri Road
Bangkok 10300
Tel: 662-243-0525

Department of Intellectual Property, Ministry of Commerce**Application for Patent and Trademark****Services and Information Division**

Department of Intellectual Property
338 Rachadapisek Road
Huay Kwang, Bangkok 10320
Tel: 662-275-4854
Fax: 662-276-0061

Customs Department, Ministry of Finance**Import Formalities Division**

Klong Toey, Bangkok 10110

Tel: 662-249-4266, 671-5250

Fax: 662-249-4297

Legal Affairs Bureau

Klong Toey, Bangkok 10110

Tel: 662-671-7560 Ext. 9310, 9311

Fax: 662-671-7626

Appendix I. Statistics**Table A. Key Trade & Demographic Information**

Agricultural Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$4,280 Mil/18%
Consumer Food Imports From All Countries (\$Mil)/U.S. Market Share (%)	\$1,440 Mil/14%
Edible Fishery Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$1,514 Mil/3%
Total Population (Millions) / Annual Growth Rate (%)	65 Mil/0.04%
Urban Population (Millions) Annual Growth Rate (%)	5.7 Mil/0.44%
Number of Major Metropolitan Areas	37 provinces
Size of the Middle Class (Millions) / Growth Rate (%)	1.49 Mil/13%
Per Capita Gross Domestic Product (U.S. Dollars)	\$3,179
Unemployment Rate (%)	1.5%
Per Capita Food Expenditures (U.S. Dollars)	\$391
Percent of Female Population Employed	45%
Exchange Rate (2006)	US\$1=37.88

Table B. Consumer Food & Edible Fishery Product Imports

Thailand Imports (In Thousands of Dollars)	Imports from the World			Imports from the U.S.			U.S. Market Share		
	2004	2005	2006	2004	2005	2006	2004	2005	2006
CONSUMER-ORIENTED AGRICULTURAL TOTAL	1,117,143	1,279,828	1,440,407	144,562	171,958	201,620	12.94	13.44	14.00
Snack Foods (Excl. Nuts)	59,711	74,928	89,122	4,471	4,246	5,905	7.49	5.67	6.63
Breakfast Cereals & Pancake Mix	16,308	20,258	20,078	441	715	672	27	3.53	3.35
Red Meats, Fresh/Chilled/Frozen	5,910	7,993	12,128	48	31	446	0.82	0.38	3.68
Red Meats, Prepared/Preserved	3,640	3,247	3,454	133	183	301	3.66	5.62	8.71
Poultry Meat	5,561	851	874	10	265	301	0.19	31.15	34.45
Dairy Products (Excl. Cheese)	313,373	353,302	360,867	17,788	28,036	34,426	5.68	7.94	9.54
Cheese	10,441	10,845	14,818	316	234	181	3.02	2.16	1.22
Eggs & Products	9,231	9,803	9,894	135	292	374	1.46	2.98	3.78
Fresh Fruits	93,370	100,693	134,591	15,023	18,177	19,616	16.09	18.05	14.57
Fresh Vegetables	39,257	40,758	55,359	238	67	564	06	0.16	1.02
Processed Fruit & Vegetables	97,184	119,294	134,340	27,337	27,515	30,816	28.13	23.07	22.94
Fruit & Vegetable Juices	15,322	18,423	24,640	3,048	3,843	4,580	19.89	20.86	18.59
Tree Nuts	16,699	24,152	22,582	5,377	7,628	8,211	32.2	31.58	36.36
Wine & Beer	17,483	19,997	34,424	621	657	765	3.55	3.29	2.22
Nursery Products & Cut Flowers	1,984	2,396	3,239	31	12	18	1.56	0.52	0.55
Pet Foods (Dog & Cat Food)	14,561	16,316	15,949	4,587	5,276	5,250	31.5	32.34	32.92
Other Consumer-Oriented Products	395,494	448,726	502,095	64,954	74,774	89,176	16.42	16.66	17.76
FISH & SEAFOOD PRODUCTS	1,013,144	1,117,791	1,262,045	28,146	32,813	43,529	2.78	2.94	3.45
AGRICULTURAL PRODUCTS TOTAL	3,786,491	4,150,536	4,280,181	687,564	837,092	754,554	18.16	20.17	17.63
AG, FISH & FORESTRY TOTAL	5,652,350	6,268,765	6,434,287	763,627	909,248	835,537	13.51	14.50	12.99

Table C. Top 15 Suppliers of Consumer Foods & Edible Fishery Products**Thailand - Top 15 Suppliers****CONSUMER-ORIENTED AGRICULTURAL IMPORTS**

\$1,000	2004	2005	2006
China	157,705	188,443	244,385
United States	144,562	171,958	201,620
New Zealand	148,944	159,783	191,418
Australia	95,600	127,297	142,615
Malaysia	47,390	62,475	85,646
Singapore	35,158	53,794	72,129
Netherlands	74,598	86,505	71,265
Indonesia	43,831	52,309	57,049
France	37,815	40,095	47,585
Germany	34,305	26,206	37,069
Japan	28,599	33,521	36,919
Philippines	17,147	20,682	19,389
United Kingdom	35,199	37,465	18,755
Czech Republic	17,701	21,524	18,159
Ireland	25,607	12,642	16,351
Other	172,981	185,126	180,053
World	1,117,143	1,279,828	1,440,407

Source: Global Trade Atlas and USDA Bangkok, Thailand

FISH & SEAFOOD PRODUCTS

	2004	2005	2006
United States	763,627	909,248	835,537
Brazil	375,200	476,889	535,270
Australia	420,008	500,001	508,390
China	299,986	347,829	448,773
Malaysia	479,909	503,347	423,045
Indonesia	311,707	347,522	305,667
New Zealand	184,032	199,112	225,688
Japan	156,523	230,089	224,117
Argentina	309,505	329,231	219,382
India	180,776	133,090	217,638
Taiwan	155,838	175,988	210,592
Myanmar	169,111	185,780	176,517
Vanuatu	105,584	119,380	159,468
Singapore	91,816	106,161	140,778
Netherlands	103,005	120,274	118,485
Other	1,545,723	1,584,825	1,684,938
World	5,652,350	6,268,765	6,434,287

Table D. Economic Projection of 2007

Economic Projection of 2007					
	Preliminary			Projection 2007	
	2004	2005	2006 p	4-Jun-07	3-Sep-07
GDP (at current price: Bil.USD)	161.0	176.0	206.1	240.0	240.0
GDP Growth (at constant price, %)	6.3	4.5	5.0	4.0-4.5	4.0-4.5
Investment (at constant prices, %)	13.2	11.1	4.0	2.1	1.5
Private (at constant prices, %)	16.2	10.9	3.9	1.5	1.0
Public (at constant prices, %)	5.0	11.3	4.5	4.0	3.0
Consumption (at constant prices, %)	6.1	5.5	3.2	2.8	2.6
Private (at constant prices, %)	6.2	4.3	3.1	2.2	1.7
Public (at constant prices, %)	5.6	13.7	3.4	6.3	7.8
Export volume of goods&services (Volume, %)	9.6	4.3	8.5	6.9	7.3
Export value of goods (Bil.USD)	94.9	109.2	128.2	144.1	144.9
Growth rate (%)	21.6	15.0	17.4	12.4	13.0
Growth rate (Volume, %)	8.4	4.3	9.0	7.9	8.5
Import volume of goods&services (Volume, %)	13.4	9.3	1.6	4.3	3.4
Import value of goods (Bil.USD)	93.5	117.7	126.0	136.4	135.4
Growth rate (%)	25.7	25.9	7.0	8.3	7.5
Growth rate (Volume, %)	12.3	8.9	(0.8)	3.8	3.0
Trade balance (Bil.USD)	1.5	(8.5)	2.2	7.7	9.5
Current account balance (Bil.USD)	2.8	(7.9)	3.2	8.5	10.2
Current account to GDP (%)	1.7	(4.4)	1.5	3.6	4.2
Inflation (%)					
CPI	2.7	4.5	4.7	2.0-2.5	2.0-2.5
GDP Deflator	3.2	4.5	5.0	3.3	3.3
Unemployment rate (%)	2.1	1.8	1.5	1.5-2.0	1.5-2.0

Source: Office of the National Economic and Social Development Board, September 2007.

Table E. Exchange Rate (2001-2006)

Exchange Rates						
(Baht per unit of US Dollar annual average)						
	2001	2002	2003	2004	2005	2006
US\$	44.43	42.96	41.49	40.22	40.22	37.88
Source: Bank of Thailand						

End of Report.